GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

STARRED QUESTION NO:31
ANSWERED ON:02.03.2005
CLOSURE OF SMALL SCALE INDUSTRIES
Chaure Shri Bapu Hari;Shaheen Shri Abdul Rashid

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the number of small scale industries registered and functioning presently in the country, State-wise;

(b) the details of facilities/grants/subsidies available to these units;

(c) whether some small scale industries have been closed down due to sickness;

(d) if so, the details thereof, State-wise;

(e) the steps taken by the Government for revival of these industries; and

(f) the steps taken/proposed to be taken by the government to re-employ the workers of these closed SSIs?

Answer

MINISTER OF SMALL SCALE INDUSTRIES AND AGRO & RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a) to (f) A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY OF PARTS (a) TO (f) IN RESPECT OF THE LOK SABHA STARRED QUESTION NO. 31 FOR ANSWER ON 2ND MARCH, 2005.

(a): Based on the Third All India Census of Small Scale Industries (SSI) conducted with reference to the year 2001-02 and the information received from State Directorates of Industries thereafter, the number of SSI units registered and functioning at the end of September 2004 was estimated to be 15,87,281. The State-wise details are given in Annexure - I.

(b): The promotion and development of small scale industries is primarily the responsibility of the respective States and Union Territories. The Central Government, however, supplements the efforts of the State Governments by way of implementation of many schemes/programmes throughout the country under which a number of facilities/grants/subsidies are extended to small scale industries. These include, among others, provision of credit, development of infrastructure, technological upgradation, strengthening of marketing facilities and entrepreneurship development. A list of these schemes is enclosed at Annexure - II.

(c) & (d): As per the Third All India Census of Small Scale Industries conducted with reference to the year 2001-02, 22,61,401 SSI units were found registered in the country. Of these, during the Census 8,87,427 units were found closed. However, as per the data compiled by the Reserve Bank of India (RBI), 1,77,336 units had become sick at the end of March 2002. State-wise breakup of closed and sick small scale industrial (SSI) units is given at Annexure - III.

(e): The RBI has issued detailed circular of guidelines in January, 2002 for rehabilitation of sick small scale units based on the recommendations of the Committee set up under the chairmanship of Shri S.S. Kohli. This circular includes change in the definition of sick SSI units, norms for deciding their viability, concessional finance, etc.

(f): Workers rendered unemployed due to closure of SSI units can avail of the self-employment opportunities under the Pradhan Mantri Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) being implemented by the Central Government throughout the country.

Annexure - I

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA STARRED QUESTION NO. 31 FOR ANSWER ON 2.3.2005

State-wise number of registered and functioning SSI units as on 30 September, 2004

SL.No. NAME OF STATE/UT No. of SSI units registered
and functioning as on 30.9.2004

01. JAMMU & KASHMIR	16753
02. HIMACHAL PRADESH	12475
03. PUNJAB	66608
04. CHANDIGARH	1376
05. UTTRANCHAL	17911
06. HARYANA	40305
07. DELHI	7477
08. RAJASTHAN	51033
09. UTTAR PRASESH	192140
10. BIHAR	57589
11. SIKKIM	213
12. ARUNACHAL PRADESH	355
13. NAGALAND	1645
14. MANIPUR	4832
15. MIZORAM	3361
16. TRIPURA	1033
17. MEGHALAYA	2800
18. ASSAM	17834
19. WEST BENGAL	44374
20. JHARKHAND	20017
21. ORISSA	14327
22. CHATTISGARH	36396
23. MADHYA PRADESH	119425
24. GUJARAT	157383
25. DAMN & DIU	1402
26. DADAR & NAGAR HAVELI	1089
27. MAHARASHTRA	92883
28. ANDHRA PRADESH	66210
29. KARNATAKA	127007
30. GOA	2544
31. LAKSHADWEEP	92
32. KERALA	165191
33. TAMILNADU	240130
34. PONDICHERRY	2201
35. A & NICOBAR ISLANDS	870
ALL INDIA TOTAL	15,87,281

Annexure - II

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE LOK SABHA STARRED Q.NO.31 DUE FOR ANSWER ON 02.03.2005.

List of the Central Government schemes for promotion and develoment of the Small Scale Industries.

1. Integrated Infrastructure Development Scheme: Assistance is provided to State Governments and industry associations for setting up industrial estates for SSI units upto 40% of the cost or Rs. 2 crore, whichever is less, but for the NorthEastern States, this assistance is upto 80% of the cost or Rs. 4 crore, whichever is less.

2. Small Industry Cluster Development Programme: This programme aims at holistic development of industrial clusters, i.e. agglomerations of units producing the same or similar type of products at a particular location. The development needs of such clusters are identified through a diagnostic study. Subsequently, action plan for development of cluster in respect of felt needs in the areas like technology up gradation, marketing and export promotion, skill development, creation of common facility center etc. The scheme is implemented through the field institutions under the control of Ministry of SSI and also in collaboration with autonomous institutions engaged in promotion of small scale industries. Project extends over a period of 2 to 3 years. There is no fixed limit on the project cost. Rather, a need-based approach is taken. Normally, the budget for promotional activities (excluding hard infrastructure) is between 30 to 50 lakh rupees. Hard infrastructure like common facilities is considered on the basis of actual project cost.

The programme was earlier launched in 1998 as UPTECH Scheme with a technology focus. It was given a holistic form and renamed as SICDP in 2003. Till date, 78 projects have been taken up under the UPTECH scheme and SICDP.

3. Credit linked Capital Subsidy Scheme for Technology Upgradation: Under this scheme, 12% Capital subsidy is granted on loans upto Rs. 40 lakh for technology up gradation. In pursuance of the announcement made in the Budget of 2004-05, a proposal to enhance this subsidy to 15% and the loan limit to Rs. 1 crore is presently under formulation.

4. Credit Guarantee Scheme: This scheme provides guarantee cover upto 75% of credit (term loan and working capital loan) offered by banks and financial institutions to new and existing SSI units on loans upto Rs. 25 lakh.

5. Performance & Credit Rating Scheme for Small Industries: A Rating Scheme for small scale industries has been formulated in consultation with various stake holders, i.e., Small Industries Associations and Indian Banks` Associations and various Rating Agencies, viz., CRISIL, ICRA, Dun & Bradstreet (D&B) and ONICRA.

The fee to be paid to the rating agencies shall be based on the turnover of the small scale units, which has been categorized into three

slabs. The slabs of the turnover and the share of reimbursement by the Ministry of SSI towards the fee charged by the rating agencies have been indicated in the table given below:

Turnover	Fee to be reimbursed by Ministry of SSI
Up to Rs. 50 lakh	75% of the fee charged by the rating agency subject to a ceiling of Rs. 25000.
Above Rs. 50 lakh to 200 lakh	75% of the fee charged by the rating agency subject to a ceiling of Rs. 30000.
Above Rs. 200 lakh	75% of the fee charged by the rating agency subject to a ceiling of Rs. 40000.

The balance amount towards the fee shall be borne by the small scale units

6. ISO-9000 Certification Reimbursement Scheme: Cost of obtaining ISO-9000 Certification by small scale industries is reimbursed to the extent of 75% or Rs 75,000/-, whichever is lower. The objective of the scheme is to improve the marketability of SSI products by enhancing their quality.

7. Mini Tool Rooms: State Governments are assisted to set up Mini Tool Rooms for providing advanced tooling facility to SSI units. Assistance under this scheme is by way of grants upto 90% of the cost of setting up of the Mini Tool Rooms or Rs.9 crore whichever is less. However, for upgradation of existing Tool Rooms, assistance is limited to 75% of the cost or Rs.7.5 crore, whichever is less.
8. Testing Centres: Upto 50% of the cost upto a ceiling ofRs.50 lakh is provided to Industry Associations for setting up testing centres to test the raw-material and products of SSI units.

9. Sub-Contracting Exchanges: This scheme is to assist Industry Associations to strengthen their capacity for securing better marketing opportunities for member SSI units. Under this Scheme one time grant upto RsA.7 lakh is provided for procurement of capital equipment for setting up of sub-contracting exchanges by Industry Associations and NGOs. In addition, matching grant is also provided to meet the running expenses on a tapering basis not exceeding Rs.1.25 lakh, Rs. 0.75 lakh and Rs.2.5 lakh respectively during these 3 years.

10. Purchase and Price Preference Policy: This is administered through the Single Point Registration Scheme of NSIC. Under this, 358 items have been reserved for exclusive purchase from SSI units by Central Government. Other facilities under this scheme include free tender documents, exemption from earnest money and security deposit and 15% price preference in Central Government purchases.

11. Market Development Assistance: This scheme is intended to assist SSI entrepreneurs to explore export markets by participating in overseas fairs or trade delegations abroad. Under this scheme, to and fro airfare of the selected SSI entrepreneurs is reimbursed upto 90%. The scheme includes flmding upto 25% of the eost of production of publicity material, assistance upto Rs.2 lakh for sector specific studies, reimbursement of registration fee for bar coding and assistance upto Rs.1 lakh for contesting anti-dumping cases. The beneficiaries under this scheme are individual SSI units and Industry Associations.

12. Participation in International Fairs: Full rent of space in international fairs and exhibitions and cost of shipment of exhibits is subsidized under this scheme.

13. Assistance to Entrepreneurship Development Institutes (EDI): Assistance is provided to the State Governments to strengthen the training infrastructure of EDIs by way of grants upto 50% of the cost or Rs.l 00 lakh whichever is less.

Annexure-III

ANNEXURE REFERRED TO IN REPLY TO PART (c) & (d) OF THE LOK SABHA STARRED QUESTION NO. 31 FOR ANSWER ON 02-03-2005.
State-wise no of closed and sick SSI units as on 31-03-2002.

SL.NO.	NAME OF STATE/UT	NO OF CLOSED UNITS #	NO OF SICK UNITS ##
01.	JAMMU & KASHMIR	22709	2438
02.	HJMACHAL PRADESH	6509	394
03.	PUNJAB	82731	1902
04.	CHANDIGARH	1405	145
05.	UTTRANCHAL	12100	2193
06.	HARYANA	27546	889
07.	DELHI	8357	1892
08.	RAJASTHAN	36847	3792
09.	UTTAR PRASESH	122282	17843

10. BIHAR 20525 15181
11. SIKKIM 155 56
12. ARUNACHAL PRADESH 248 12
13. NAGALAND 129 130
14. MANIPUR 1226 1060
15. MIZORAM 1313 25
16. TRIPURA 1077 1945
17. MEGHALAYA 1908 281
18. ASSAM 10338 5530
19. WEST BENGAL 26080 53957
20. JHARKHAND 13822 2105
21. ORISSA 9708 5334
22. CHATTISGARH 27830 64
23. MADHYA PRADESH 65649 6964
24. GUJRAT 39159 6679
25. DAMN & DIU 454 4
26. DADAR & NAGAR HAVELI 423 12
27. MAHARASHTRA 54243 7270
28. ANDHRA PRADESH 38582 9324
29. KARNATAKA 46611 4254
30. GOA 2327 149
31. LAKSHADWEEP 16 Not Available
32. KERALA 74832 13825
33. TAMIL NADU 127185 11513
34. PONDICHERRY 2586 161
35. ANDAMAN & NICOBAR 515 13

ALL INDIA TOTAL 8,87,427 1,77,336

Third All India Census of Small Scale Industries 2001-02
Reserve Bank of India